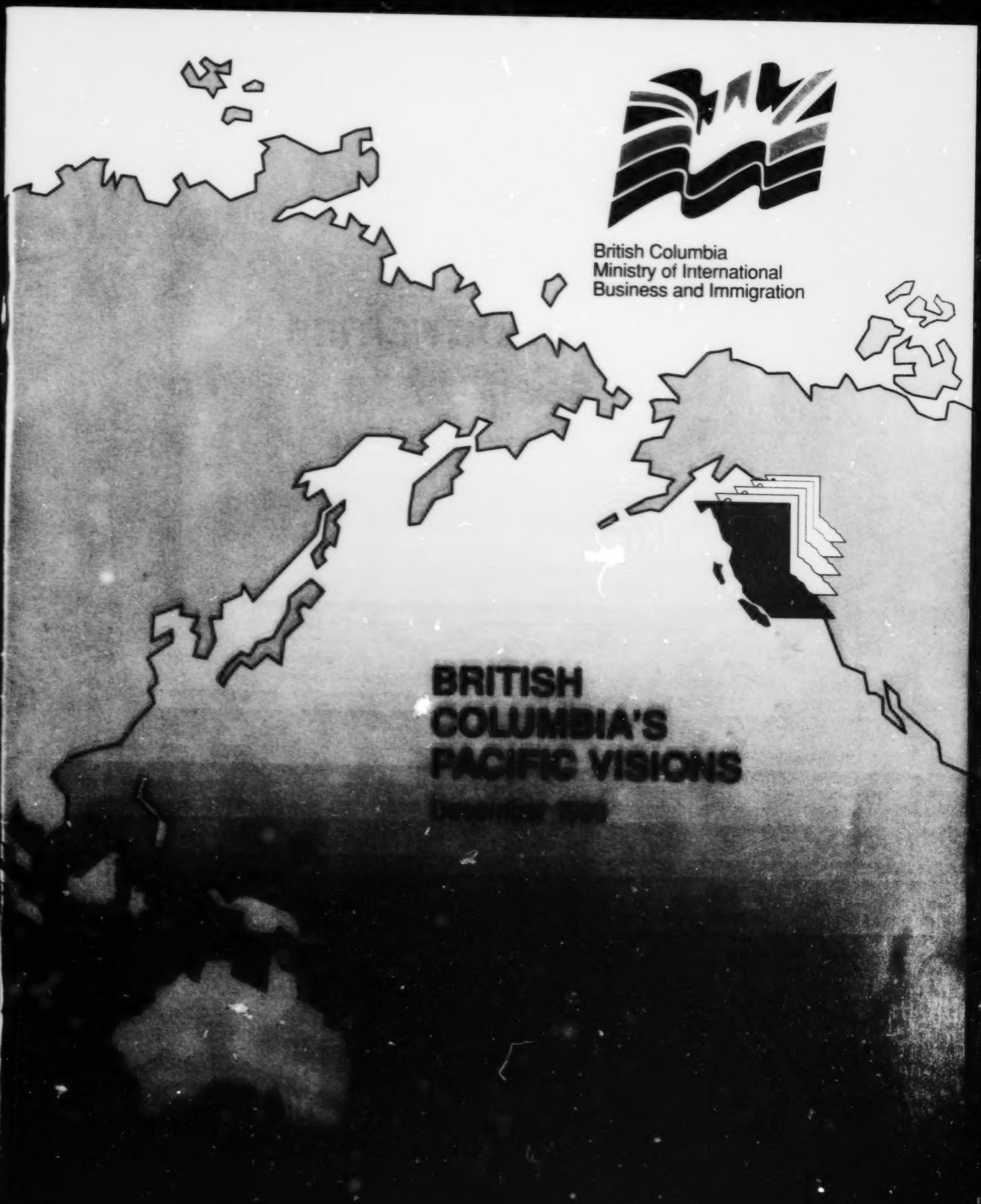
British Columbia
Ministry of International
Business and Immigration
BRITISH
COLUMBIA'S
PACIFIC VISIONS

BRITISH COLUMBIA'S

PACIFIC VISIONS

December 1990

Province of British Columbia
Ministry of International Business and Immigration

91-02365/

MESSAGE FROM THE MINISTER

As Canada's gateway to the Pacific Rim, we have consistently improved the balance of our trade with the this region to the point that it accounts for as much export revenue as the United States -- a level of diversification unmatched anywhere else in Canada.

With our growing relationship firmly established we realize the potential that exists in this huge region. There is a massive consumer base that our exporters want to access, business and technical expertise that we want to tap into, and a wealth of investment capital that can help fuel our expanding economy.

International trade and investment are vital to the British Columbia economy and the Provincial Government, through my Ministry, vigorously promotes trade with all parts of the world. We have been successful in diversifying our economy, expanding trade with Pacific Rim, the U.S.A., and Europe.

We know that information is vital to good business decisions; therefore, we have produced this document to put the facts before you. With this background information, you will be better prepared to deal with this incredibly diverse part of the world.

Doing business in the countries of the Pacific Rim presents many challenges, but it also offers a new world of opportunity, and British Columbians thrive on opportunity.

Elwood N. Veitch
Minister of International Business
and Immigration

A Note about Definitions:

In this document, a variety of acronyms are used to describe broad geographic areas. As might be expected, there is a certain amount of overlap in these definitions and it is important, therefore, to be quite precise about which specific regions or groupings are being referred to.

ASEAN:	Association of Southeast Asian Nations. Includes Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.
Asia Pacific:	The broadest definition of the region. It includes all the nations defined as falling within the Pacific Rim as well as India, Pakistan, Nepal, Bhutan, Bangladesh, Sri Lanka, Myanmar (Burma) and Laos.
D.A.E.s	Dynamic Asian Economies. An acronym used to describe the NIC/NIEs of Korea, Taiwan, Hong Kong, and Singapore. Acknowledges that these economies are, in fact, already highly industrialized.
E.C.	European Community. Includes France, Germany, Belgium, Luxembourg, United Kingdom, Ireland, Denmark, Greece, Italy, Netherlands, Portugal and Spain.
NIC/NIEs	Newly Industrialized Countries (NICs) is still the most widely used acronym to describe the rapidly growing countries of Korea, Taiwan, Hong Kong and Singapore. Out of deference to China, however, which does not view Hong Kong and Taiwan as sovereign independent countries, an alternative acronym - Newly Industrializing Economies (NIEs) is now being used.
Pacific Rim:	A narrower definition than Asia Pacific. It includes Japan, Korea, China, Hong Kong, Taiwan, Vietnam, Cambodia, Thailand, Malaysia, Singapore, Indonesia, Brunei, the Philippines, Papua New Guinea, Western Samoa, Fiji, Australia and New Zealand but not the countries of South Asia..
South Asia:	Includes India, Pakistan, Nepal, Bhutan, Bangladesh, Sri Lanka and Myanmar (Burma).

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INTRODUCTION

As Canada and British Columbia enter the last decade of this century, there can be little doubt that they are experiencing a rate of change unprecedented since the end of the Second World War.

In Eastern Europe, Canadians have watched with amazement as one repressive regime after another has been swept aside in the struggle for personal and political freedom. In Western Europe, Canadians continue to watch with a mixture of awe and apprehension as the European Community moves toward economic and political integration in the run-up to "1992". In North America, Canadians have just finished their first year under the equally historic Canada-U.S. Free Trade Agreement - an agreement which holds the promise of an even more prosperous and internationally competitive Canada in the future.

The rapid changes that Canadians have been experiencing, however, are not confined to the political and economic arenas alone. Technologically, they now benefit from a whole host of new products and processes designed to make their lives easier, healthier and more productive. Sociologically, they have undergone a very profound and fundamental change in the demographic composition of their country - its age structure, its geographic distribution and its ethnic origins. Perhaps even more importantly, Canadians now find themselves reaping both the benefits, and bearing the consequences, of the environmental choices made by this and all preceding generations.

Like most eras of rapid and fundamental change, the 1990's hold the promise of both opportunity and threat. Canadians should not, however, fear that future. Rather they should embrace it, for Canada has long played an important and honourable role in the international community. Canada was a founding member of such important international bodies as the United Nations, the World Bank, the International Monetary Fund, the General Agreement on Tariffs and Trade, and the Organization for Economic Co-operation and Development. Furthermore, by virtue of its unique historical and geographical position, Canada can expect to continue playing a valuable and leading role in the global community.

Canada's relationship with that global community, however, has changed dramatically in recent years. With the emergence of the Pacific Rim as a major economic force on the world stage, Canada and all it's provinces have had to re-examine their traditional orientation towards Western Europe and acknowledge that their future may well lie in the Pacific Rim.

The purpose of this background paper, therefore is to help British Columbians understand the rapidly growing importance of the Pacific Rim and British Columbia's unique role in that region.

THE RISING IMPORTANCE OF THE PACIFIC RIM

Over the latter half of the 1980's, the world economy grew at an average annual rate of around 3.0%, down slightly from the 3.5% level reached in the first half of the decade. This growth, however, was not uniformly distributed among all nations of the world. The industrialized countries of North America and Western Europe, for example, averaged about 2.5-3.0% growth per year, while many of the poorer and less developed countries of Latin America and Africa barely managed to reach 2.0% and 1.5% growth, respectively (with many of them actually recording negative rates of real economic growth).

Standing in sharp contrast to these developments is the rather dramatic growth achieved by Japan and the newly industrializing economies (NIEs) of Asia such as Korea, Taiwan, Hong Kong, and Singapore. The Japanese economy, for example, grew at an average annual rate in excess of 4.0% over the latter half of the 1980's, reaching 5.7% in 1988 and 4.9% in 1989. The NIEs, on the other hand, averaged almost twice that rate of growth, with Korea enjoying 12.4% real growth in 1988 and 6.7% in 1989; Taiwan 7.8% and 7.2%; Hong Kong 7.4% and 4.5%, and Singapore 11.0% and 9.2%; respectively.

Despite forecasts of a global economic slowdown in the early part of the 1990's (primarily as the result of the continuing large external trade and current account imbalances between the U.S. and Japan), the Pacific Rim is still expected to exceed all other regions of the world in terms of its rate of economic growth.

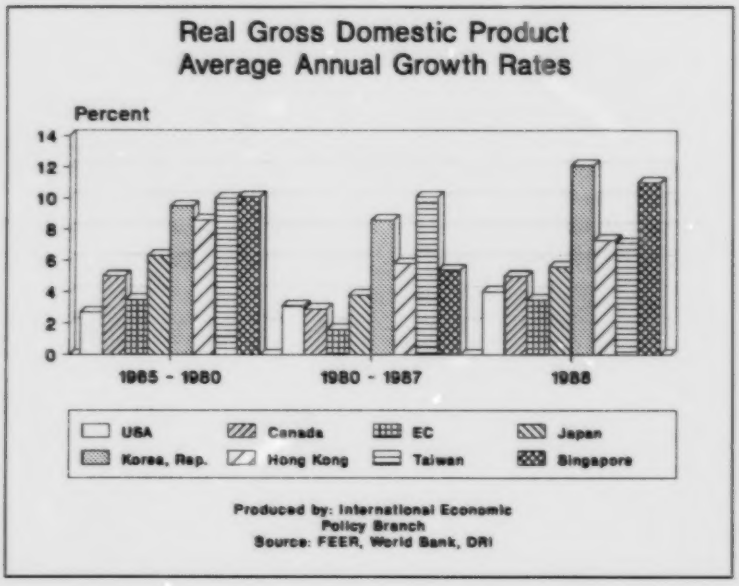
The Conference Board of Canada, for example, in its recent "World Outlook - 1990" noted that:

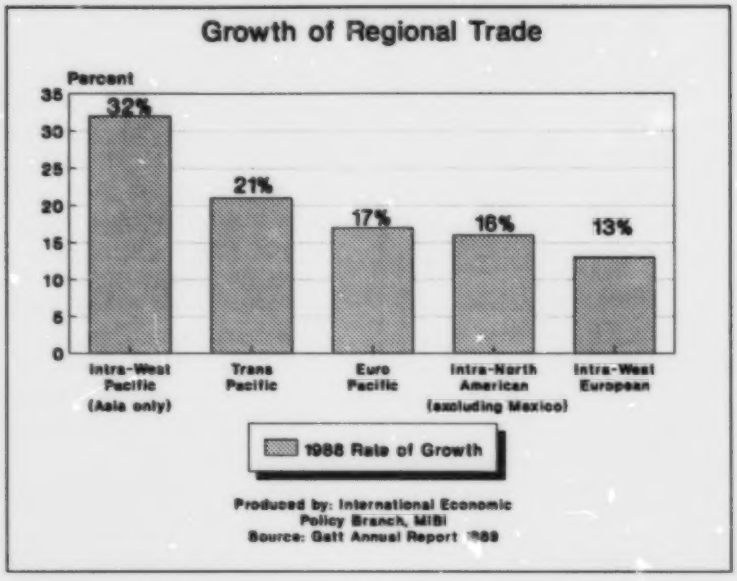
> "... despite the prospects of a global slowdown and the emergence of Europe as a competitor to Asia, the [Pacific Rim] region will continue to be the fastest growing in the world."

The United Nations Conference on Trade and Development (UNCTAD) also forecasts a continuation of:

> "... the current bifurcation of economic performance, with steady if unspectacular growth in the industrialized countries, steady progress by East Asian exporters though at a slower pace than in the 1980's, [and] ...sluggish growth in Africa and Latin America."

It is also worth noting that, for most of the last decade, the volume of world merchandise trade has actually grown faster than the volume of world output. For example, according to the most recent figures released by the General Agreement on Tariffs and Trade (GATT), world merchandise trade grew by 7% in 1989, while world





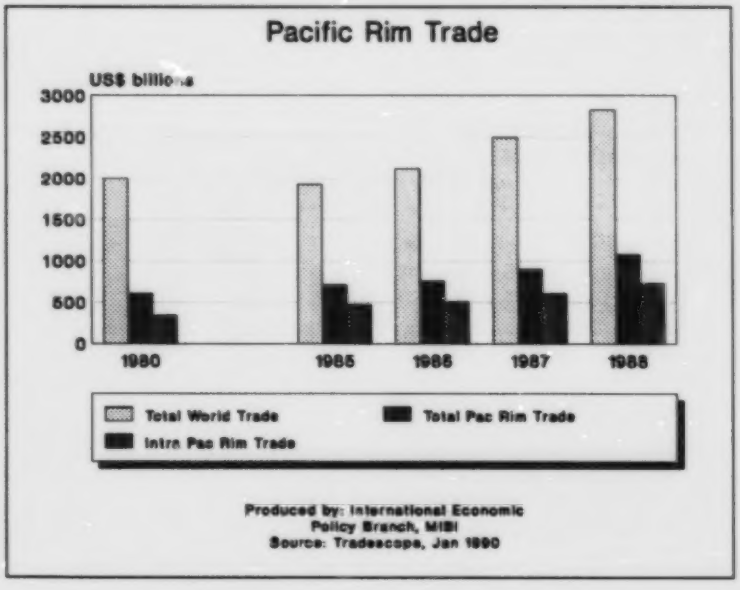
output grew by only 3%. In his annual report of that same year, Mr. Arthur Dunkel, Director General of the GATT, suggested that:

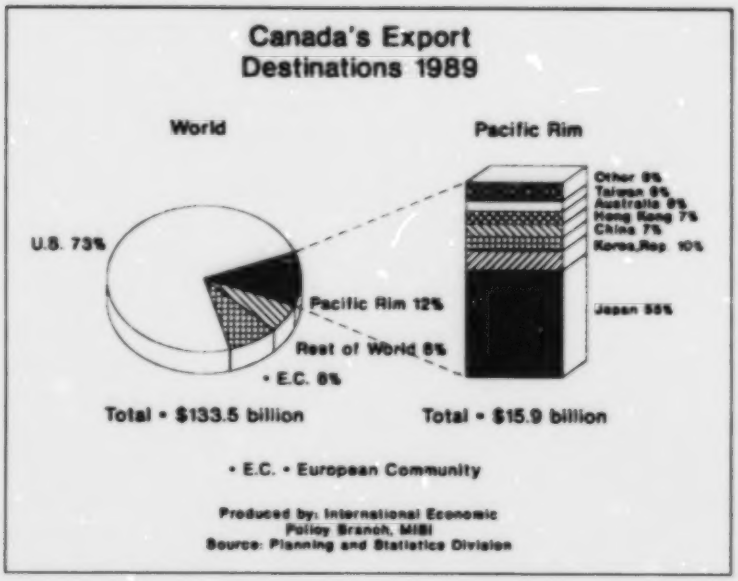
> "... world trade is not only being stimulated by the growth in world output, but it is also a driving force behind the prolonged expansion."

It is perhaps not surprising, therefore, that the economies of the Pacific Rim have been at the forefront of this rapid increase in world trade. In fact, the most rapid increases in both exports (13.4%) and imports (18.0%) during 1989 were recorded by the Pacific Rim economies. In contrast, exports from the industrialized countries of Europe and North America grew by only 7.9% in 1989, and imports by only 7.1% - less than half the rates achieved by the economies of the Pacific Rim.

Among the world's top 20 exporters and importers, 7 are located in the Pacific Rim. They include Japan, Hong Kong, Korea, Taiwan, China, Singapore, and Australia. In fact, of the 12 countries singled out for special mention by the GATT as "dynamic traders", the two fastest growing were also Pacific Rim nations - Thailand and Malaysia.

It is clear, therefore, that not only are the economies of the Pacific Rim growing faster than the rest of the world, but they are also capturing an ever increasing share of world trade. In addition, trade **between** the Asian countries of the Pacific Rim (i.e., Intra - West Pacific trade) has also been growing faster than trade between all other regions of the world combined. In fact, over the last decade, Intra - West Pacific trade has consistently outperformed both trade **between** North America and the Pacific Rim (i.e., TransPacific trade) and trade **between** Western Europe and the Pacific Rim (i.e., EuroPacific trade). In 1988, for example, Intra-West Pacific trade grew at a rate of 32% . By comparison, TransPacific trade grew at only 21% and EuroPacific trade at only





17%. Intra-North American trade (i.e., between Canada and the U.S. but excluding Mexico), on the other hand, grew at only 16% over the same period of time, while Intra-West European trade grew at only 13%.

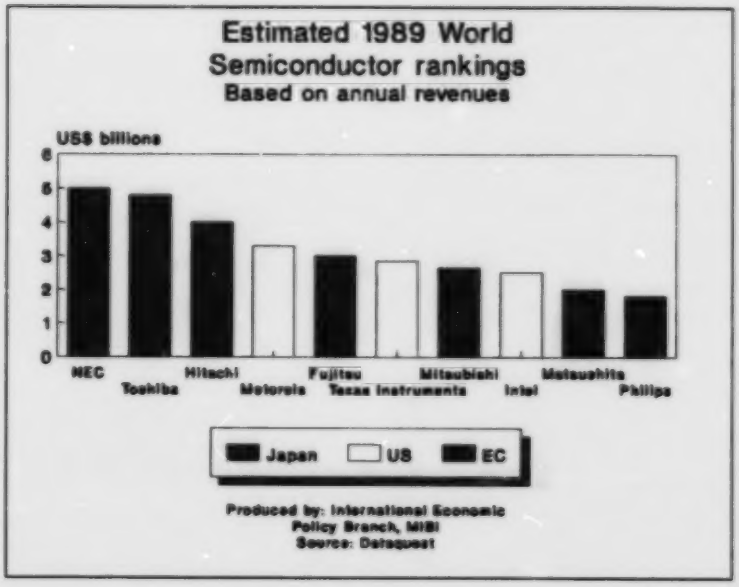
It should be noted, however, that even though trade within and across the Pacific Rim is growing the fastest, it is still Intra-West European trade which is the largest in terms of the volume of trade conducted.

In 1984, the world's Trans-Pacific trade exceeded its Trans-Atlantic trade for the first time ever. In Canada, this historic cross-over took place in 1982, when Canadian exports to the Asia Pacific region reached $8.9 billion easily surpassing Canada's $8.5 worth of exports to Western Europe in that same year.

For Canada, as a whole, however, both Trans-Atlantic and Trans-Pacific trade flows continue to be dwarfed by the massive flow of Canadian exports to the United States. In 1989, the U.S. took in excess of 73% of all Canadian exports as compared to only 8% of Canadian exports which flowed to Western Europe and 12% which flowed to the Pacific Rim region. For the future, however, there can be little doubt as to the growing importance of the Pacific Rim in the global economy. More and more the impetus of global trade and economic activity is shifting to the Pacific Rim.

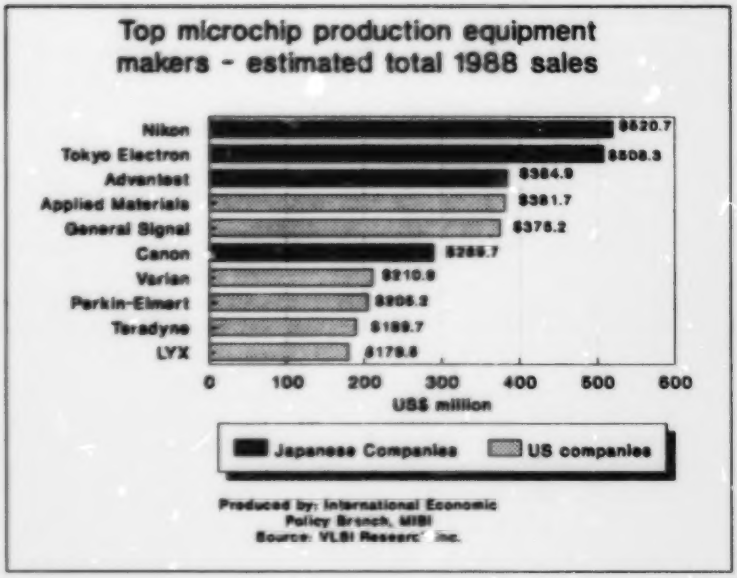
Consider for a moment that:

- the Pacific Rim is already home to more than one-third of the world's population and, if we add to this total the population of South Asia, the greater Asia-Pacific region as a whole accounts for more than half of the world s population;
- for most of the last two decades, the economies of the Pacific Rim have been growing at almost



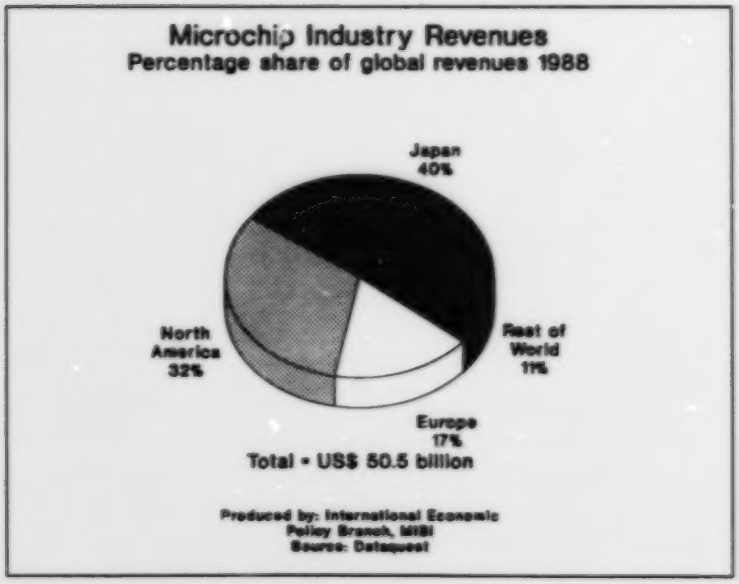
twice the rate of even the most dynamic of Western European and North American economies;

- eleven of the fifteen fastest growing economies in the world are in the Pacific Rim;
- Japan is already the world's leading creditor nation and the world's largest donor of aid;
- twelve of the world's largest banks and 21 of the world's biggest financial institutions are Japanese; and
- the per capita income of most Asian NIEs already exceeds that of many southern European nations (i.e., Spain, Portugal, Italy and Greece).



Nor is the Pacific Rim's emergence as a global power limited to simple economics. The region, led by Japan, is also emerging as a major technological and intellectual power as well. For example:

- 50% of all global patents are now registered in Japan;
- the three largest semiconductor manufacturers in the world are Japanese. In fact, six of the world's top ten semiconductor manufacturers are Japanese;
- Japan accounts for 40% of the world's microchip sales - far ahead of both North America (32%) and Western Europe (17%);
- the three biggest microchip production equipment makers in the world are Japanese; and
- Japan currently has more industrial robots in use than all of Europe and North America combined.



This technological prowess is, by no means, limited to Japan alone. Already Korea, Taiwan, and Singapore have made the leap into semiconductor and personal computer production. Malaysia and Thailand are not far behind, with large numbers of Japanese, North American and European electronics, telecommunications and computer manufacturers setting up factories in these countries' industrial and export processing estates.

Quite clearly, then, British Columbians must reexamine their relationship with this incredibly dynamic and energetic region. Consider, for a moment, that by the year 2000:

- the combined gross domestic product of the Pacific Rim economies may actually exceed that of the European Community and rival that of North America;
- the per capita income of the average Japanese will have reached twice the level of the average European; and
- the Pacific Rim, when combined with the Indian sub-continent, will account for over 60% of the world's population, produce over 50% of the world's goods and services and account for over 60% of the world's total trade.

The Japan External Trade Organization (JETRO) has confidently predicted that:

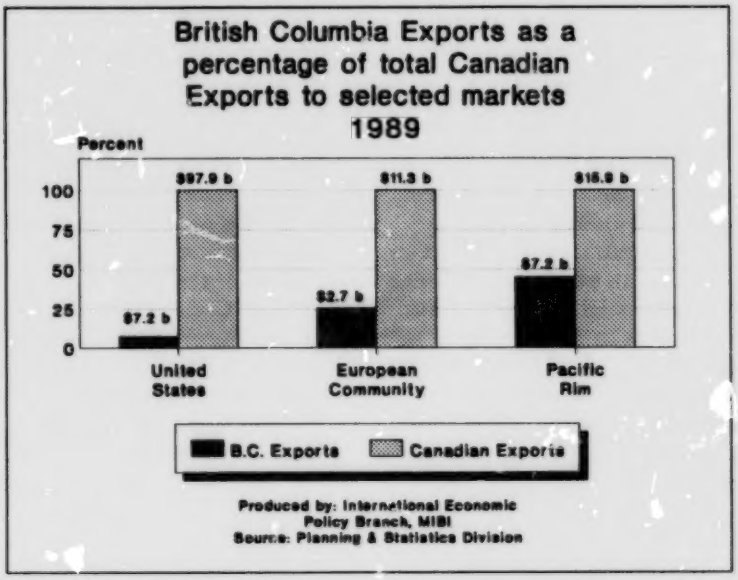
> "between the three poles of Japan, the United States and Asia, a broad-based market is autonomously being formed ... this vigorous growth is likely to continue and it seems likely that the area will become the centre of, and a locomotive for, the expansion of world trade."

Given the overwhelming evidence of the rising importance of the Pacific Rim, the question which must now be asked is, what should British Columbia's relationship be with this vast and rapidly growing region?

BRITISH COLUMBIA'S CURRENT RELATIONSHIP WITH THE PACIFIC RIM

Trade

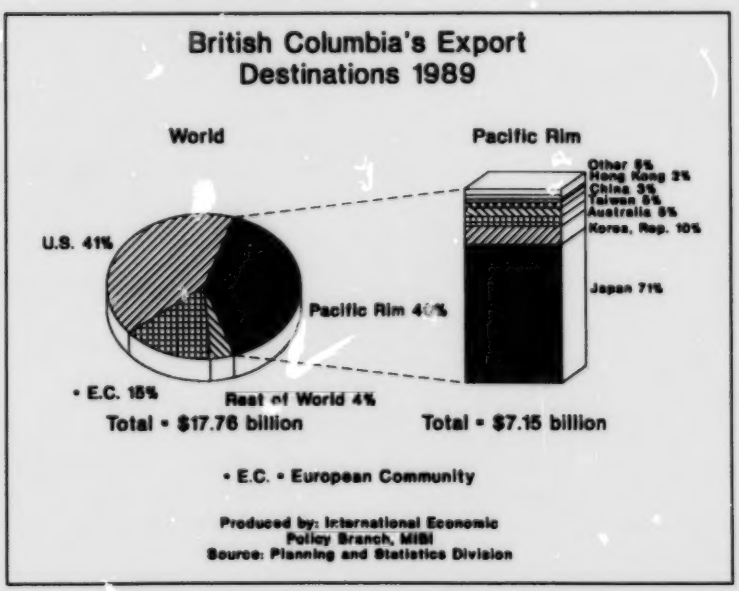
The shape of Canada's current and future relationship with the Pacific Rim, is perhaps, best illustrated by British Columbia. For in no other Canadian province is the Pacific dimension as much a reality. Only in British Columbia is the full spectrum of Canada's potential relationship with the Pacific Rim truly apparent - the economic as well as the social dimension, the cultural as well as the linguistic. The rest of Canada can learn a great deal from British Columbia's special relationship with the Pacific Rim. The challenge will be for the Province to continue building upon that special relationship for the benefit of all Canadians.



For over 100 years, the Province of British Columbia has been trading with the countries of the Pacific Rim. As far back as the 1880's, British Columbia was shipping salmon, lumber, and coal, to the markets of Australia, China, and Japan.

Over the last 10-15 years, however, British Columbia's trade relationship with the Pacific Rim has become even closer - to the point where it now rivals the United States as the Province's leading export destination. In 1989, for example, over 40% of British Columbia's total exports went to the Pacific Rim.

In general, British Columbia exhibits a much more balanced trade profile than the country as a whole. British Columbia, for



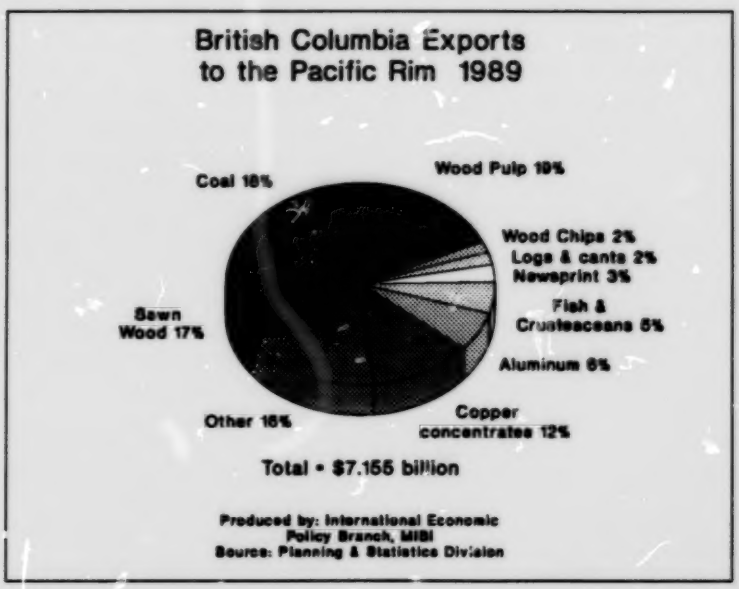
example, sends 41% of its total exports to the United States, 40% to the countries of the Pacific Rim and 15% to the European Community, while the relevant percentages for Canada, as a whole, are 73%, 12% and 8%, respectively.

Within the Pacific Rim, Japan is clearly British Columbia's most important export market - taking in excess of $5 billion worth of British Columbia exports in 1989. Japan is also British Columbia's second largest individual trading partner (after the United States) and accounts for about 29% of British Columbia's total exports. Furthermore, it is interesting to note that British Columbia, alone, accounts for 58% of all Canadian exports to Japan.

In addition, British Columbia also accounts for 43% or $682 million worth of Canadian exports to Korea, 35% or $358 million worth of Canadian exports to Australia, and 37% or $325 million worth of Canadian exports to Taiwan. In total, British Columbia currently accounts for almost 45% of Canada's total exports to the Pacific Rim.

In terms of the commodity composition of this trade, however, the bulk of British Columbia's exports to the Pacific Rim are still accounted for by natural resources. Leading British Columbia resource exports to the Pacific Rim include: wood pulp (19% of the total in 1989); coal (18%); softwood lumber (17%); copper ores and concentrates (12%); unwrought aluminium (6%) fish and seafood products (5%); and newsprint (3%).

Over the last few years, however, there has been an encouraging growth in the export of higher value-added manufactured end products to the Pacific Rim. In fact, exports of higher value-added manufactured end products from British Columbia to the Pacific Rim have been growing at approximately three times the rate of total British Columbia exports to the same region. To date, British Columbia companies have successfully exported a wide range of manufactured end products to the Pacific Rim including: aluminium wheel rims; remanufactured wood products; trucks and truck tractors; sawmill machinery and equipment; aircraft and aircraft parts; pulp and paper machinery; telecommunications and electronics equipment; prefabricated buildings; and kayaks. In total, however, these value-added manufactured exports accounted for only about 3.0% of total British Columbia exports to the Pacific Rim. Natural resource commodities, ont he other hand, accounted for over 85% of British Columbia's Pacific Rim export profile.

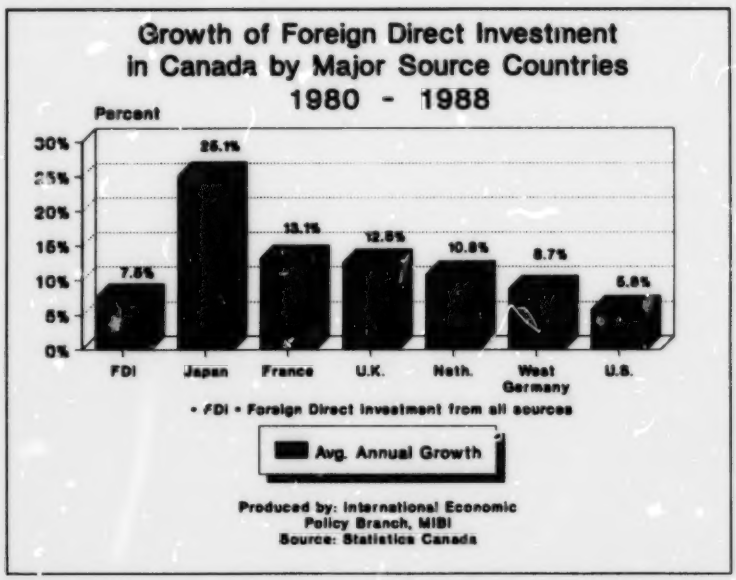


Direct Investment

Although reliable data on incoming Pacific Rim investment into British Columbia is not readily available, it is still possible to make a number of generalizations about the direction of these flows

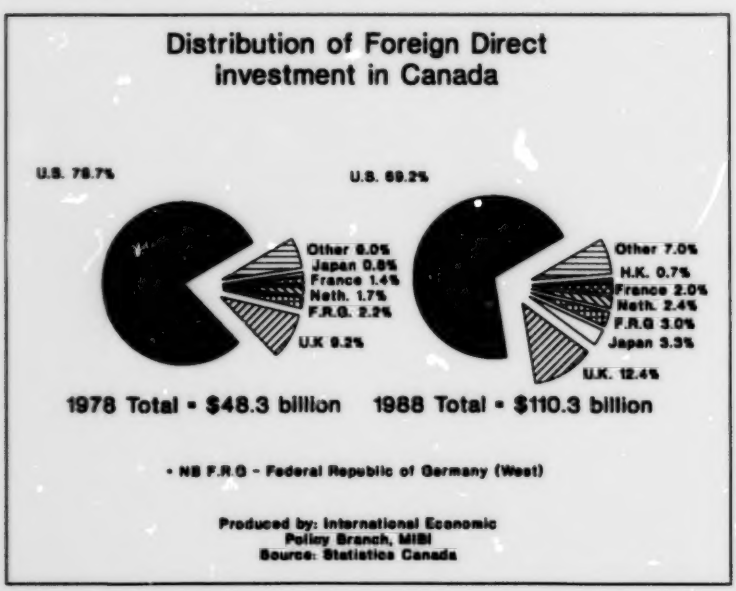
based on the information for Canada as a whole.

It has been conservatively estimated that the stock of foreign direct investment in Canada, held by investors from the Pacific Rim, now exceeds $6 billion. This total, however, represents only about 5.5% of the total stock of foreign direct investment in Canada. If, as expected, the countries of the Pacific Rim continue to pile up the massive trade surpluses they have enjoyed over the last few years, then there is every expectation that these large capital outflows will continue in the years ahead.



Among Pacific Rim investors in Canada and British Columbia, Japan has clearly been the most active. The stock of Japanese direct investment in Canada is now in excess of $3.8 billion, and has been growing, since 1980, at a rate of about 25% per year.

Perhaps, not surprisingly, the focus of this investment has not been uniformly distributed across the country. The Japanese External Trade Organization, for example, estimates that as much as 35% of Japan's total direct investment in Canada has flowed into British Columbia (second only to Ontario with 56.8%). The bulk of Japanese direct investment in British Columbia has been directed towards resource development, warehousing and distribution, real estate, finance and tourism. In Central Canada, on the other hand, most Japanese direct investment has flowed into the automotive and financial sectors.



Another major Pacific Rim investor in Canada has been Hong Kong. However, the bulk of Hong Kong's investment in Canada is concentrated in portfolio investments such as real estate, and stocks and bonds (on the order of approximately $4 billion in 1989). By comparison, Hong Kong's direct investment in Canada is only around $900 million - much of it flowing into garment, toy and electronics

production. Most of this investment has been directed towards Vancouver and Toronto and the volume of investment looks set to continue, or even accelerate, in the run-up to the 1997 return of Hong Kong to China.

To date, there has been relatively little direct investment in British Columbia by the Asian NIEs or ASEAN (beyond a few passive real estate investments in Vancouver). The same cannot be said however, of Australia and New Zealand. Foreign investors from New Zealand, in particular, have established a major presence in British Columbia's forest products sector.

With the implementation of the Canada-U.S. Free Trade Agreement and the continued reduction in tariffs between the two countries, a significant increase in Pacific Rim investment in British Columbia is expected over the next few years, as more and more offshore companies move to take advantage of Canada's improved access to the U.S. market.

Immigration

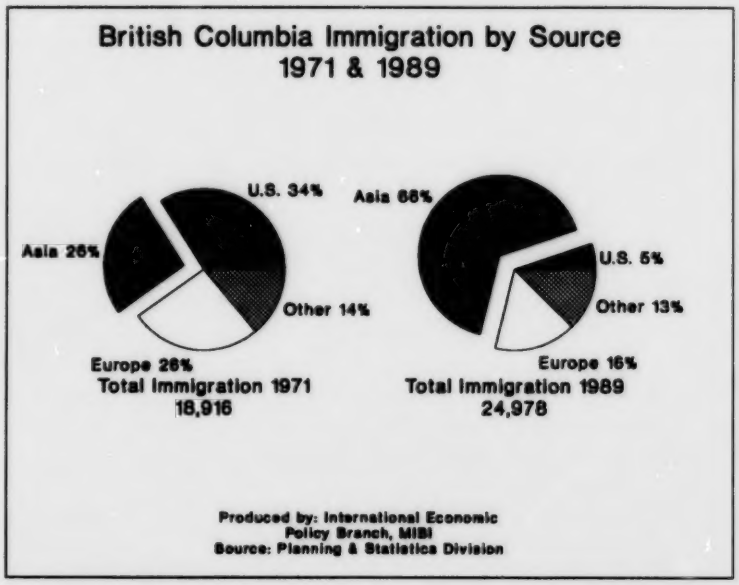
Like the country as a whole, British Columbia has undergone a profound shift in the ethnic composition of its immigrants. Historically, the vast majority (70-75%) of British Columbia's immigrants came from the United States and Europe. Over the last 10 to 15 years, however, there has been a significant increase in the number of British Columbia immigrants coming from the countries of Asia and the Pacific Rim. In 1971, for example, only 26% of British Columbia's immigrants came from Asia. By 1989, this total had risen to 66% (with the vast majority of these immigrants coming from Hong Kong and India).

In fact, in 1989, British Columbia attracted fully 18% of all Canadian immigrants from the Asia Pacific Region (and 24% of all immigrants from Hong Kong).

For the entrepreneurial and investor class of immigrants, however, the attraction of British Columbia is particularly strong. In 1989, British Columbia attracted 24% of Canada's total entrepreneurial intake and 42% of its investor class intake. Not surprisingly, Hong Kong once again provided the majority of these immigrants (over 54% in the case of entrepreneurial immigrants to British Columbia and 69% in the case of investor immigrants in 1989).

Tourism

Traditionally the bulk of British Columbia's international tourists (88%) have come from the United States and, to a lesser extent, Western Europe (5%). In recent years,



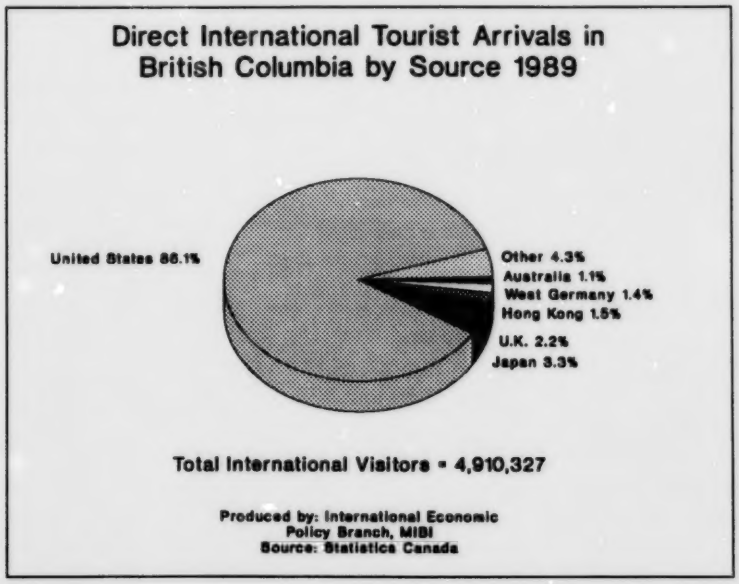
however, there has been a steady increase in the number of Pacific Rim visitors coming to British Columbia

In 1989, for example, over 288,000 Pacific Rim tourists arrived in British Columbia (accounting for about 5.8% of all international tourist arrivals in the Province). Of these, 162,283 were Japanese, and 71,680 were from Hong Kong and 54,498 were from Australia.

British Columbia regularly attracts over half of all Japanese visitors to Canada. Among Japanese visitors to British Columbia, the most popular tourist destinations are Vancouver, Victoria and Whistler Mountain.

While the Japanese are certainly the most visible and affluent of the Pacific Rim tourists coming to British Columbia, they are clearly not the only ones. There are also an increasing number of visitors coming to British Columbia from Hong Kong, Taiwan, Malaysia, Singapore, Korea, Australia, and New Zealand. With continued strong economic growth forecast for the Pacific Rim region and higher per capita incomes expected, further dramatic increases in the number and variety of Pacific Rim visitors to British Columbia are expected. The challenge for British Columbians will be to encourage these Pacific Rim tourists to visit regions of the Province other than the golden triangle bordered by Vancouver, Victoria, and Whistler Mountain.

And while most Pacific Rim tourists to Canada, particularly the Japanese, tend to stay in the Province for only a very short period of time, they more than make up for the brevity of their stay by spending, on average, almost twice as much as tourists from other countries. In a 1988 study, for example, the average visit by a Japanese tourist to Canada lasted only 6.9 nights compared to 12.9 nights for a visitor from the United Kingdom and 13.6 nights for a visitor from West Germany. Average spending per person per night on these trips, however, was $110 for the Japanese, $54 for the French, $52 for the Americans, $46 for the Germans and $37 for visitors from the United Kingdom.



BRITISH COLUMBIA'S CURRENT PROGRAMS FOR THE PACIFIC RIM

Because of its strong trade, economic and cultural ties with the Pacific Rim, the Province of British Columbia is focussing a great deal of attention on its relationship with that part of the world. The Province's Pacific Rim initiatives are primarily lead by the Ministry of International Business and Immigration and its sister corporation, the British Columbia Trade Development Corporation.

The Ministry of International Business and Immigration

Like its federal counterpart, the Department of External Affairs and International Trade, the Ministry of International Business and Immigration (MIBI) **maintains a network of trade and investment offices throughout the Pacific Rim.** British Columbia trade and investment officers are located in Tokyo, Seoul, Hong Kong, Singapore and Taipei.

All five of these offices have been established since the mid - 1980's. They were located to help British Columbians take advantage of the tremendous economic growth and opportunity in the Pacific Region.

Headed by senior representatives, the Province's Pacific Rim offices are responsible for providing market intelligence on a wide range of products and services. They are also responsible for trade and investment promotion - in particular assisting British Columbia firms in their export efforts and in securing access to foreign capital. Clearly, these offices are a key component in the Province's international business strategy.

The foreign offices also provide key input into the development of the Province's international programs and are instrumental in the delivery and monitoring of those programs. Finally, all five of the offices play an important representational role and ensure that the interests of British Columbia are being served abroad.

In the last two years the Province has also established trade and investment offices in Southern California (Irvine) and Seattle, enhancing a previously existing tourism promotion presence in both centers as well as in San Francisco. This enhanced presence is also the result of economic growth and opportunity to the south of British Columbia. Moreover it reflects the growing linkages between the Asia Pacific and the west coast of north America, and the fact that these two areas are now intertwined both economically and culturally

A large part of MIBI's Pacific Rim activities are directed toward **the organizing of ministerial trade missions** as well as **the hosting of incoming and outgoing private sector trade missions.** In 1989, for example, MIBI supported and assisted 8 overseas trade missions to the Pacific Rim and 34 incoming trade delegations from the region.

MIBI is also **the lead provincial ministry responsible for immigration issues in British Columbia.** At the present time, both the federal and provincial governments are working to conclude an immigration agreement for the Province. With a federal-provincial immigration agreement firmly in place, British Columbia will be in a much better position to ensure that the immigration flows which do develop, take full account of the Province's unique regional and economic development needs.

MIBI is also **responsible for the promotion of incoming foreign investment in**

Brit' a Columbia. At the present time the Province's primary investment focus in the Pacific Rim is targeted towards Japan, Korea, Taiwan, Hong Kong, and Singapore.

Among MIBI's investment promotion tools are **ministerial and private sector investment missions** as well as **overseas investment seminars**. The Ministry also helps promote and regulate Canada's highly successful **business immigration program**.

Through its offices in the Province and overseas, MIBI offers potential business immigrants from the Pacific Rim a wide variety of counselling services, including advice on how to apply for a visa and set up their business. It also disseminates information on the types of business opportunities available in the Province and generally promotes British Columbia as a desirable investment location.

The British Columbia Trade Development Corporation

Created in June of 1989, the B.C. Trade Development Corporation (BCTDC) is British Columbia's primary export marketing agency. Organized into two major divisions: Marketing and Export Advisory Services, the Corporation delivers the following services to British Columbia exporters:

- international marketing and trade development support;
- export counselling and advice;
- export financing guarantees including pre-shipment funding, bid and performance bonds;
- information and advice on procurement opportunities in Canada and abroad;
- specialized advice on countertrade;
- introductions to, and advice on using, trading houses;
- information on foreign market opportunities, product specifications, distribution networks, costing and pricing requirements; and
- export training designed to increase the international business skills of British Columbians.

Three of the programs offered by the Corporation include the **New Market Development Program (NMDP)**, the **Cooperative Overseas Market Development Program (COMDP)** and the **Cooperative Industrial Market Development Program (CIMDP).**

The NMDP program offers financial assistance to British Columbia companies:

- taking part in market development trips outside British Columbia;
- hosting incoming buyer visits to British Columbia; and
- participating in trade shows outside the Province.

The COMDP program was developed in conjunction with, and is delivered through, the Council of Forest Industries (COFI). It is designed to help open up new markets outside the United States and Canada for traditional British Columbia forest products.

The CIMDP program, on the other hand, is designed to assist in the development and marketing of value-added wood products.

Specific sectors being promoted by the Corporation include forest products, value-added and re-manufactured wood products, log and pre-fabricated housing, fashion goods, sporting equipment, food products, consulting engineering, environmental services and forestry and mining equipment. During its first year of operation, the BCTDC led or supported 11 separate missions in these sectors to the Pacific Rim.

In addition, the Corporation organized seminars to assist British Columbia exporters interested in accessing the World Bank, the Asian Development Bank, and the Canadian International Development Agency - all of whom actively fund projects in the Pacific Rim. Of late, the BCTDC has also co-financed with the Province's consulting engineering industry a marketing representative in Manila whose primary task will be to pursue even more Asian Development Bank contracts for British Columbia companies. Finally, the Corporation has also actively funded and supported a number of Pacific Rim-oriented conferences and events including Airshow Canada, Wood Expo, Food Pacific, the World Energy Conference, and the Globe 90 trade show (which drew more than 21,500 attendees from more than 15 countries including Japan, Korea, China, Thailand, Malaysia, Indonesia, Singapore and the Philippines), and the Globe '90 conference which attracted over 4000 delegates from 60 countries.

In total, the BCTDC has supported or participated in over 30 Pacific Rim-related events in its first year of operation and has plans to participate in more than 50 events in the coming year. This increased level of promotional activity is a clear sign of the importance that the BCTDC attaches to this dynamic and rapidly growing part of the world.

Ministry of Education

The Pacific Rim Education Initiatives of the British Columbia Ministry of Education are unprecedented in Canada. They are based on the premise that, as the economies of the Pacific Rim and North America draw closer together, the need for a greater understanding and appreciation of each other's cultures, languages, and economies also increases. The Province's Pacific Rim Education Initiatives, are therefore, designed to promote friendship and understanding between the young people of British Columbia and the young people of the Pacific Rim.

Under the Pacific Rim Education Initiatives, British Columbia schools are being encouraged to undertake innovative projects designed to heighten their awareness of the Pacific Rim region. Scholarships are being provided, student and teacher exchanges are being supported, and the study of Asian languages is being promoted. In total, there are at least ten different activities being supported under the Pacific Rim Education Initiatives:

❶ **Pacific Rim Scholarship Program:** each year 19 graduating Grade 12 students are awarded scholarships, of up to $20,000 to study for one full year in either Japan, China, Taiwan, Indonesia, Malaysia, Singapore or Thailand;

❷ **Student Travel Program:** to date, over 800 British Columbia students have received 75% travel subsidies to visit China, Malaysia, Singapore, Hong Kong, and Thailand, for periods of up to three weeks;

❸ **Teacher Study Tours:** elementary and secondary school teachers from all regions of the Province are being given an opportunity to study in various Pacific Rim countries. In the last three years, over 1100 British Columbia teachers have participated in this program, each paying between 30-50% of their total travel and study costs;

❹ **Japanese Exchange Teachers:** sixty British Columbia teachers, over the last two years, have participated in this program to teach English in schools throughout Japan. The program is fully subsidized by the Japanese government,

but the selection of eligible teachers is done by the British Columbia Ministry of Education.

❺ **Teacher Training Language Program:** British Columbia teachers are subsidized when they choose to attend summer school programs on the teaching of Japanese and Mandarin language courses;

❻ **Language Initiatives:** over 2000 British Columbia students are now studying Japanese in the Province's schools. A full Japanese language immersion program, in which all subjects will be taught in Japanese, is scheduled to begin in 1992;

❼ **Asia Pacific Studies:** the provincial school curriculum has been revised to include a greater focus on the Asia Pacific region. Economics, Business Education, and Social Studies courses, in particular, have been extensively revised;

❽ **Monitor Program:** individuals fluent in an Asia Pacific language are given the opportunity, usually on a volunteer basis, to assist in the teaching of that language in British Columbia classrooms. The initial program focus is on Japanese and Mandarin;

❾ **School Twinnings:** over 85 British Columbia elementary and secondary schools have been "twinned" with various schools in the Pacific Rim. The majority of these twinning arrangements involve student/teacher exchanges and homestays; and

❿ **Overseas Student Selection Offices:** the Ministry of Education maintains four overseas student selection offices in Japan, Hong Kong, Taiwan, and Thailand. Student selection officers interview high-achieving local students who wish to attend school in British Columbia.

Ministry of Advanced Education, Training and Technology

The Ministry of Advanced Education, Training and Technology, in turn, has focused its Pacific Rim efforts in two main areas: Labour Market Initiatives and Post-Secondary Institutions:

❶ **Labour Market Initiatives:** the Ministry's proposed **Skills Development Strategy** recommends training in the areas of international business, export skills, Pacific Rim customs and languages, trade law, and strategic marketing techniques. The Ministry also ensures that private training institutions, many of which cater to students from the Pacific Rim, meet all the required minimum provincial standards for education and training;

❷ **Post-Secondary Institutions:** through a variety of contracts valued at more than $40 million (and funded by agencies such as CIDA), British Columbia's colleges, technical institutes, and universities are currently delivering education and training to selected Pacific Rim countries. In addition, each year more than 4000 students from the Pacific Rim region attend British Columbia's post-secondary institutions.

The Ministry of Advanced Education, Training and Technology is attempting to promote an even closer relationship with the Pacific Rim through the granting of financial awards to worthy Pacific Rim students, the

funding of Pacific Rim program enhancements in the Province's post-secondary institutions, and the encouragement of a greater focus on languages and business studies directed towards the Pacific Rim.

Ministry of Tourism

The Ministry of Tourism has both a Marketing and an Education initiative aimed at the Pacific Rim. Under its **Marketing Initiative** there are two main geographic foci:

1. **Japan:** where the Ministry, in conjunction with the Province of Alberta and the federal department of Tourism Canada, has developed and implemented a targeted consumer advertising and trade promotion program entitled "Canada West". The Ministry of Tourism has also participated in a number of major Japanese trade shows, organized a variety of tourism trade missions, and produced a Japanese language travel industry sales newsletter.

2. **Hong Kong, Korea, Taiwan, and Australia:** where the Ministry has initiated host product testing familiarization tours for tour operators, participated in major trade shows, and focussed its consumer/trade media familiarization tours on the "Canada West" theme.

Under its **Education Initiative**, the Ministry of Tourism has launched four key programs:

1. **International Hotel and Culinary Academy:** a feasibility study is currently underway to assess the prospects for an international hotel and culinary academy in Vancouver. The study will attempt to identify and quantify the possibility of attracting students from the Pacific Rim to undertake a program of tourism training in British Columbia;

2. **Japanese Tour Guide Training Program:** the development of a Japanese tour guide training program is underway in Vancouver. It is being funded by a consortium composed of Japan Airlines, Canadian Airlines, the Japan Travel Bureau and several major Japanese inbound tour operators;

3. **Asia-Pacific Extension to "SuperHost":** a one-day course designed to train tourism industry personnel in how to deal with visitors from the Asia Pacific region is being developed as an extension to the very successful "SuperHost" program; and

4. **The 1st Pacific Rim Tourism Education Conference:** is being held in Hong Kong in 1991 and co-ordinated through the **Pacific Rim Institute of Tourism** which is headquartered in Vancouver.

Ministry of Municipal Affairs, Recreation and Culture

The Ministry works with the federal Department of External Affairs and International Trade and the Touring Office of the Canada Council to promote and subsidize international tours by British Columbia artists. Recent British Columbia "cultural exports" to the Pacific Rim include the Judith Marcuse Dance Company's tour of Hong Kong and Singapore, the Anna Wyman Dance Theatre's appearance at Expo 88 in Brisbane, Australia, and the Vancouver Chamber Choir's performance in China.

Asia Pacific Initiative

On December 16, 1986, a Memorandum of Understanding was signed between the Government of Canada and the Province of

British Columbia. In it, the two governments committed themselves to establishing British Columbia as Canada's Pacific Centre for Trade, Travel, and Commerce.

Although now concluded, the Asia Pacific Initiative (API), over the course of its three year mandate, drew upon the talents, energy, and commitment of more than 150 unpaid volunteers from the private sector. Working together with federal and provincial officials and a small professional secretariat, this group of dedicated individuals accomplished a great deal.

In all, more than 60 separate projects and studies were undertaken by the API. Some of the more notable API spin-offs include:

- **GLOBE '90** - the world's first environmental industry conference and trade show held in Vancouver during March, 1990. More than 4,000 delegates from 60 countries attended the conference and more than 21,500 people from 15 countries attended the trade show.

- **DRAGON BOAT FESTIVAL** - featuring local and international dragon boat teams competing on the waters of False Creek in downtown Vancouver;

- **FIRST GENERATION** - a book chronicling the experiences of 18 recent immigrants to British Columbia. Its release was timed to coincide with the inaugural celebration of British Columbia Immigration Week;

- **ASIA PACIFIC CURRICULUM** - in conjunction with the provincial Ministry of Education, grade school course materials on the Asia Pacific region were developed;

- **VANCOUVER INTERNATIONAL AIRPORT AUTHORITY** - a separate local airport authority was established as the result of recommendations made by the API's Vancouver International Airport Study Group and its successor, the Vancouver International Airport Transition Advisory Group;

- **INTERNATIONAL MARITIME CENTRE** - a detailed analysis was undertaken of the potential for attracting international shipping management activities to Vancouver. In particular, the study highlighted the need to change Canada's current tax treatment of international shipping operations;

- **ELECTRONIC DATA INTERCHANGE SYSTEM** - designed to computerize the paperwork associated with the movement of cargo through air and sea ports; and

- **ASIA PACIFIC BANKING AND FINANCE INSTITUTION** - established as a co-operative undertaking of the Asia Pacific Foundation of Canada and the Faculty of Commerce of the University of British Columbia. The institute is designed to offer senior banking and financial managers an executive training program focussed on Pacific Rim financial markets.

CONCLUSION

It is now quite clear that British Columbia must quickly find its place among the emerging economies of the Pacific Rim or else run the risk of missing out on, what may well prove to be, the most explosive period of growth the world has ever known. Given the spectacular performance of the Pacific Rim over the last two decades, it now seems certain that the twenty-first century will truly belong to the nations of the Pacific Rim.

To fully achieve British Columbia's Pacific future will, however, require a long and rigorous commitment to the region. To succeed in the Pacific Rim will also require a commitment to the building of strong personal and business relationships. British Columbians must be prepared to demonstrate, again and again, that they are in the Pacific Rim to stay - that British Columbians are prepared to make the necessary commitment of time, money, and human resources to succeed in the region.

Perhaps equally important, however, is a need to move beyond just trade and investment promotion initiatives and begin to cultivate a real knowledge and sensitivity about the peoples, languages, and cultures of the Pacific Rim. To achieve this level of understanding, British Columbian will have to begin building strategic partnerships and alliances with their counterparts in the Pacific Rim. They will have to begin acquiring the necessary language skills and cultural abilities to succeed in the region. Ultimately, all segments of British Columbia society must become involved in helping achieve the Province's Pacific Rim future - the government, the private sector and the academic community.

It is hoped that this background document will provide sufficient factual detail on British Columbia's current relationship with the Pacific Rim to help stimulate a wide ranging discussion among all British Columbians as to what the Province's Pacific Rim future should look like.

APPENDIX

ASIA – PACIFIC ECONOMIC FORECAST 1989–2000

Country	Gross Domestic Product (GDP) (Billions of U.S. Dollars) (1988)	EAGR[1] (1989–2000)	(2000)	Population (Millions) (1988)	EAGR[1] (1989–2000)	(2000)	GDP per capita (U.S. $ per capita) (1988)	(2000)
Japan	2,826.7	3.5%	4,271.3	122.1	0.5%	129.6	23,151	32,950
Korea	171.5	6.5%	365.1	42.1	1.2%	48.6	4,074	7,516
Taiwan	129.0	5.6%	248.1	19.8	1.0%	22.3	6,517	11,122
Hong Kong	54.6	3.0%	77.8	5.7	1.0%	6.4	9,579	12,120
Singapore	24.5	6.0%	49.3	2.6	0.8%	2.9	9,423	17,232
Malaysia	34.6	6.0%	69.6	16.5	2.2%	21.4	2,097	3,250
Thailand	56.1	7.0%	126.3	53.6	1.6%	64.8	1,047	1,948
Indonesia	82.8	4.0%	132.6	171.4	1.8%	212.3	483	624
Philippines	39.2	5.6%	75.4	58.4	2.3%	76.7	671	983
Brunei	3.2	1.1%	3.6	0.2	3.3%	0.3	15,841	12,235
Australia	247.0	3.1%	356.3	16.3	1.4%	19.3	15,153	18,499
New Zealand	38.9	1.0%	43.8	3.3	0.6%	3.5	11,788	12,363
China	354.0	6.0%	712.3	1,087.0	1.3%	1,269.2	326	561
Papua New Guinea	2.5	3.0%	3.6	3.7	2.5%	5.0	674	714
Vietnam	0.8	2.4%	1.1	65.2	2.4%	86.7	130	13
Pac Rim subtotal	$4,065	4.0%	$6,536	1,667.9	1.4%	1,969.1	$2,437	$3,320
India	229.8	6.0%	462.4	797.5	1.8%	987.9	288	468
Pakistan	38.1	5.0%	68.4	102.5	3.3%	151.3	372	452
Bangladesh	18.8	5.0%	33.8	109.5	2.4%	145.8	172	232
Myanmar (Burma)	9.7	4.0%	15.5	41.1	2.3%	54.0	236	288
Sri Lanka	6.9	2.0%	8.8	16.6	1.3%	19.4	360	452
South Asia subtotal	$303	5.7%	$589	1,067.2	2.0%	1,358.4	$284	$433
Asia Pacific total	$4,369	4.2%	$7,125	2,735.1	1.6%	3,327.5	$1,597	$2,141
Canada	486.5	2.3%	639.1	25.9	0.8%	28.5	$18,784	$22,427

[1] Effective Annual Growth Rate

Note – GDP growth estimates based on:

- Pacific Economic Cooperation Conference's Pacific Economic Outlook (1989)
- Business International country forecasts
- various cental bank estimates
- Far Eastern Economic Review's projections
- National Westminster Bank's "Asia Pacific Review"
- IBRD (World Bank) "World Development Report" (1989)